



**ENTERED
09/03/2009**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
GALVESTON DIVISION

IN RE)
)
)
RICHARD E. SURGENT,) CASE NO. 03-80806-G3-7
)
Debtor,)
)

ORDER TO SHOW CAUSE

Rock Bottom, L.L.C. ("Rock Bottom"), the purchaser of assets from the bankruptcy estate of Richard E. Surgent, has filed a motion (Docket No. 203) seeking sanctions against U.S. American Resources, Inc. ("USAR") and John Owen, based on their alleged violation of this court's order approving sale of assets of the Surgent bankruptcy estate to Rock Bottom.

The acts by which Rock Bottom asserts USAR and Owen violated the sale order are those of U.S. American Stone and Minerals, Inc. ("USASM").

USASM, which purportedly is a subsidiary of USAR, is a debtor in a Chapter 11 case, presently pending in the United States Bankruptcy Court for the District of Arizona.

Rock Bottom has asserted that USASM is an alter ego of USAR.

In a supplement (Docket No. 212), Rock Bottom seeks a finding of civil contempt against USASM, and an award of damages.

Rock Bottom moved for relief from stay in the court in which USASM's Chapter 11 case is pending. In an agreed order, bearing the signatures of counsel for USASM and Rock Bottom, the court in Arizona granted the motion in part, determining that that court "will defer to the Texas Court as to any adjudication of any alleged claims by Rock Bottom LLC against the Debtor that the Debtor violated the Texas Court Amended Sale Order dated June 12, 2007." The order of the court in Arizona required that Rock Bottom return to that court to assert a claim on any monetary judgment that might be issued by this court.

There are three threshold issues with respect to Rock Bottom's motions. First, this court must consider its own subject matter jurisdiction to grant the relief requested. Second, this court must consider whether to abstain. Third, this court must consider whether to transfer the instant motion to the United States Bankruptcy Court for the District of Arizona. In particular, in light of Rock Bottom's contention that USASM is an alter ego of USAR, this court must address the question of whether the court in Arizona has exclusive jurisdiction to make any determination of whether the property of USAR is property of the bankruptcy estate of USASM.

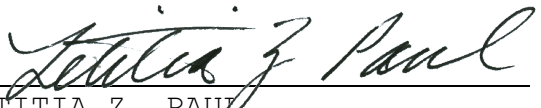
Accordingly, it is

ORDERED that Rock Bottom, USAR, Owen, and USASM shall appear, on October 26, 2009, at 11:00 a.m., in Courtroom 401, 515 Rusk, Houston, Texas, and show cause, as to the "Motion to

Enforce Order of Court and Impose Sanctions" (Docket No. 203) and the "Supplemental Motion to Enforce Order of Court and Impose Sanctions" (Docket No. 212), why this court should not dismiss or abstain, or alternatively transfer venue to the United States Bankruptcy Court for the District of Arizona. It is further

ORDERED that Rock Bottom, USAR, Owen, and USASM may file memoranda of authorities regarding the questions of dismissal, abstention, and transfer of venue as to the "Motion to Enforce Order of Court and Impose Sanctions" (Docket No. 203) and the "Supplemental Motion to Enforce Order of Court and Impose Sanctions" (Docket No. 212), on or before October 22, 2009.

Signed at Houston, Texas on September 3, 2009.



LETITIA Z. PAUL
UNITED STATES BANKRUPTCY JUDGE